

SECTION 19.10 DEFINITIONS

Last Update: 7/06

- **Amortization** - A payment plan which enables the borrower to reduce his or her debt gradually through monthly payments of the principal.
- **Appraisal fee** - A fee charged by an appraiser for an appraisal report. If the lender secures the appraisal, the fee is usually paid to the lender.
- **Assumption fee** - A fee charged by a lender to compensate for administrative costs related to an assumption of a pre-existing mortgage.
- **Binding, not to exceed bid** - A bid that is guaranteed not to exceed a certain dollar amount.
- **Bridge loan** - A loan, from a financial institution, to cover the short interval between buying a house and selling another.
- **Credit report** - A report required by a lender on the credit standing of a prospective borrower.
- **Duty station** - A geographic location where an employee is officially assigned to work.
- **Escrow agent's fee** - A fee charged by an escrow agent to establish an escrow account.
- **Former residence** - A personal place of residence owned or rented by the employee immediately preceding the move.
- **Household goods** - Personal property that belongs to the employee or the employee's immediate household members and that is related to occupying, maintaining or caring for a home. Household goods include yard items such as utility sheds and play sets that are reasonably movable as well as recreational equipment and vehicles.
- **Immediate household** - Individuals who are members of or reside in the employee's household.
- **Lender application fee or loan origination fee** - A fee charged by a lender which is in essence a "service charge" to compensate for the lender's administrative and loan preparation costs. The fee is usually expressed in points (a flat percentage of the loan amount).
- **Market value differential** - The difference between the actual sale price obtained for the former principal residence and its estimated market value based on independent appraisals.
- **Mobile home** - A mobile dwelling constructed for use as a residence and designed to be moved. Includes components attached to or a part of the home.
- **Mortgage** - A lien or claim given by a buyer to a lender to secure advances on, or the unpaid purchase price of, real property. Includes contracts for the purchase of real property.
- **Mortgage interest differential** - An amount that would be required to reduce the amount of a new mortgage (with a higher interest rate than the old mortgage) to an amount that could be amortized at the same monthly payment (principal and interest) as the old mortgage.
- **Mortgage prepayment penalty** - A fee charged by the lender when a borrower pays off an existing mortgage prior to its expiration.

- **Promotion** - The acceptance by a nontemporary employee of an offer by an appointing authority to move to a position in a class with a higher pay grade that may involve movement between positions covered by merit system provisions and positions not covered by merit system provisions.
- **Realtor commission** - A fee charged by the agent for the sale of real estate property; usually a percent of the property's sale price.
- **Reassignment** - The movement of an employee and the position the employee occupies within the same organizational unit or to another organizational unit at the discretion of the appointing authority. A reassignment may include a change in duties, work location, days of work or hours of work, and may be temporary or permanent. A reassignment may result in a change from the employee's previous job classification.
- **Residence** - An employee's place of permanent residence.
 - The employee may have only one residence from which the move is being made. A mobile home may be considered a principal residence. Additional homes or real property owned or rented by the employee are not covered for the purposes of this policy, unless it is "temporary housing." However, with prior approval, household goods from other locations may also be moved (e.g., items in storage or situations where the employee or a member of the employee's immediate family occupies a dormitory room).
 - A residence owned by the employee means a residence owned in whole or in part by the employee or spouse.
 - If the former residence is part of a multiple-family or multiple-purpose property owned by the employee, incidental moving expenses incurred for selling the property will be prorated to include only that part of the expenses applicable to the employee's actual residence.
- **Severance agreement** - A written agreement between the employer and employee stipulating salary and benefits to be paid upon separation.
- **Stop-over or pick-up charges** - A fee charged by the moving company when the goods to be moved must be picked up from more than one location, or when a temporary delay in delivery to the new location is necessary (may also be called in-transit temporary storage).
- **Title and recording fees** - Fees charged by a county to record a sale of real property and establish ownership of real estate property.
- **Transfer tax** - A state revenue stamp, documentary stamp or other tax required on the transfer of real property. The amount is based on the actual sale price of the real property.